



## Litigating at zero cost

Within an ongoing recovery action, Cargo Owners' and Cargo Underwriters' generally face the challenge of giving up the case entirely in order to avoid the costs and risks of a potential litigation.

These kind of cases are simply not part of companies day-to-day operations because the proceedings are too expensive so most of the times clients avoid them believing that fighting for these litigations is worthless.

So from our perspective the solution is simple: cover all litigation costs (e.g., lawyer and expert fees, court costs, translation expenses, costs of producing evidence) and offer clients to still retain a share of the proceeds just like a regular recovery action.

No downside, only upside. If we succeed, the clients obtain a recovery. If we lose, clients are in the same exact situation as before, as we cover all costs and potential litigation risks of such outcome.

Below you will find a typical case of how Litigation Finance can be solved without costs.



## Type of client & cargo

BARBUSS was instructed by one of the main food processing exporters to handle several cargo claims for shortage and damage against vessel interests. This was mostly for shipments from Latin America to European ports involving all sorts of cargo shipped in bulk.



## The incident

In one particular event, our client had 7,000 MT of soybean (in bulk) being shipped from Argentina to Spain. The vessel sank off the coast of Argentina causing the perish of several crew members and eventually a total loss of cargo.

The loss exceeded the USD 2,500,000 and although we immediately commenced the recovery actions, Ship Owners' solvency was a considerable risk. Clients would face USD 100,000 worth of litigation costs and an uncertain outcome towards recovery. So they wanted to close the file entirely.

Having analyzed the different potential jurisdictions, both in the UK and Argentina, we offered clients to pay the entire legal proceedings and still handle the file on a "contingency fee" basis.

They would face no costs, no litigation risks, but still retain a share of the proceeds if we succeed.

## Claims handling and final outcome

We first obtained security from the vessel's P&I Club to secure solvency. Several experts' reports were needed, and we filed suit both in the UK and Argentina against Ship Owners' and Operators' respectively. We covered all expenses on our client's behalf.

Proceedings lasted 1 year and a half. This was a complex matter that involved liability from several parties within the sea voyage. This meant not only simultaneous proceedings, motions and experts' cross examinations, but of course considerable escalating costs. We took care of them entirely.

After several months of litigation and several settlement hearings, a considerable amount of the loss was recovered.

**Client's final bill was USD 0. They made no disbursements whatsoever on what ended up being two quite expensive proceedings, but retained a considerable portion of the recovery. No downside, only upside.**

If you have any casualty or any problem with your cargo, do not hesitate to contact us:

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